UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

IN	RE:
11.4	ILL.

OPENAI, INC.

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This Document Relates To:

Class Cases

Case No. 1:25-md-3143-SHS-OTW

<u>DEFENDANT MICROSOFT CORPORATION'S RESPONSE TO PLAINTIFFS'</u> MOTION FOR LEAVE TO FILE UNDER SEAL

Pursuant to Paragraph 25 of the Modified Stipulated Protective Order in the Class Cases (*Authors Guild*, ECF 338), Defendant Microsoft Corporation ("Microsoft") submits this response in support of Plaintiffs' Motion for Leave to File Under Seal (ECF 150) ("Motion") requesting that the redacted portions in the first sentence and the last sentence of the third paragraph on page 2 of Plaintiffs' letter motion regarding production of documents that hit on LibGen search terms ("Letter Motion") (ECF 153) and Exhibit 5 (ECF 153-5) thereto be sealed.

Although "[t]he common law right of public access to judicial documents is firmly rooted in our nation's history," this right is not absolute and courts "must balance competing considerations against" the presumption of access. *Lugosch v. Pyramid Co. of Onondaga*, 435 F.3d 110, 119–20 (2d Cir. 2006). "The proponent of sealing 'must demonstrat[e] that closure is essential to preserve higher values and is narrowly tailored to serve that interest." *Bernstein v. Bernstein Litowitz Berger & Grossman LLP*, 814 F.3d 132, 144 (2d Cir. 2016) (quoting *In re N.Y. Times Co.*, 828 F.2d 110, 116 (2d Cir. 1987)). "[T]he presumption of public access in filings submitted in connection with discovery disputes . . . is generally somewhat lower than the presumption applied to material introduced at trial, or in connection with dispositive motions "*Brown v. Maxwell*,

929 F.3d 41, 50 (2d Cir. 2019). "[W]hile a court must still articulate specific and substantial reasons for sealing such material, the reasons usually need not be as compelling as those required to seal summary judgment filings." *Id*.

The Letter Motion contains descriptions of Exhibit 5 thereto, which is a highly confidential document, the disclosure of which would unfairly prejudice Microsoft. Exhibit 5 to the Letter Motion, which has been designated "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY" pursuant to the Protective Order, contains highly confidential information about the terms of Microsoft's agreement with OpenAI. *See* Ex. A (Declaration of Lucky Vidmar). It is also a documents that has been exchanged during the course of discovery and is designated under the Protective Order. *New York Times*, ECF 378. *Authors Guild*, ECF 305. Microsoft requests that the redacted portions in the first sentence and the last sentence of the third paragraph on page 2 of the Letter Motion are sealed from the public and Exhibit 5 be sealed in its entirety.

The information Microsoft seeks to seal and redact is the type of information commonly found to warrant sealing. *See id.* (granting motion to seal similar information and documents in this case); *see also Regeneron Pharms., Inc. v. Novartis Pharma AG*, No. 1:20-CV-05502, 2021 WL 243943 (S.D.N.Y. Jan. 25, 2021) (finding that requested redactions were "narrowly tailored to protect competitive business information, including the non-public terms of [various agreements]" and concluding "that the sensitivity of this information outweighs the presumption of access"); *Louis Vuitton Malletier S.A. v. Sunny Merch. Corp.*, 97 F. Supp. 3d 485, 511 (S.D.N.Y. 2015) (citation omitted) (concluding that proposed redactions were "generally limited to specific business information and strategies, which, if revealed, 'may provide valuable insights into a company's current business practices that a competitor would seek to exploit."").

For the reasons stated above, and those set forth in the Declaration of Lucky Vidmar, Microsoft supports Plaintiffs' Motion for Leave to File Under Seal (ECF 150). Specifically, Microsoft requests that the redacted portions in the first sentence and the last sentence of the third paragraph on page 2 of Plaintiffs' Letter Motion (ECF 153) and Exhibit 5 (ECF 153-5) thereto be sealed.

Dated: June 16, 2025 Respectfully submitted,

/s/ Jared B. Briant

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